

## Message Text

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TAGS: CASC, EINV, NI

SUBJECT: AIG: LEFEVRE ARREST

FOLLOWING IS PRESS STATEMENT PREPARED ON IF ASKED BASIS BY  
AIG. PLEASE PASS COPIES TO ABOUZEID AND BROWER.

QUOTE: PRESS STATEMENT  
DETENTION OF LOUIS LEFEVRE, MANAGING DIRECTOR, AMERICAN  
INTERNATIONAL INSURANCE COMPANY (NIGERIA) LTD.

AMERICAN INTERNATIONAL GROUP TODAY ISSUED THE FOLLOWING  
STATEMENT CONCERNING THE DETENTION OF LOUIS LEFEVRE,  
MANAGING DIRECTOR OF AMERICAN INTERNATIONAL COMPANY  
(NIGERIA) LTD.

LOUIS LEFEVRE, MANAGING DIRECTOR, AMERICAN INTERNATIONAL  
INSURANCE COMPANY (NIGERIA) LTD. (AIICO), A SUBSIDIARY  
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OF AMERICAN INTERNATIONAL GROUP, WAS DETAINED AND INCAR-  
CERATED BY NIGERIAN AUTHORITIES ON MARCH 21ST. HE WAS  
IMPRISONED, WITHOUT BAIL, WITHOUT ACCESS TO LEGAL COUNSEL,  
WITHOUT THE BRINGING OF SPECIFIC CHARGES AND WITHOUT  
OFFICIAL CONSULAR ACCESS BY THE US EMBASSY. HE WAS RE-  
LEASED THURSDAY, 30 MARCH. HE WAS REARRESTED AT HIS HOME  
FRIDAY, 31 MARCH AND IS CURRENTLY IN JAIL WITHOUT ACCESS

TO LEGAL COUNSEL AND WITHOUT CONSULAR ACCESS. ;

MR. LEFEVRE'S PASSPORT HAD PREVIOUSLY BEEN SEIZED BY AUTHORITIES ON NOVEMBER 28, 1977 WHEN HE RETURNED FROM A SHORT BUSINESS TRIP OUTSIDE OF NIGERIA. AT THAT TIME HE WAS DETAINED OVERNIGHT WITHOUT CHARGES. HIS PASSPORT WAS NOT RETURNED UNTIL MARCH 1978 DESPITE A SERIES OF PROTESTS BY THE AMERICAN EMBASSY.

ALTHOUGH NO SPECIFIC CHARGES HAVE BEEN BROUGHT AGAINST MR. LEFEVRE, THE FIRST ALLEGATION APPARENTLY CONCERNS A MORTGAGE LOAN MADE BY THE LIFE DEPARTMENT OF THE AMERICAN INTERNATIONAL INSURANCE COMPANY LTD. FOR THE PURCHASE OF AN APARTMENT COMPLEX BY A NIGERIAN CORPORATION. SUCH LOANS ARE CUSTOMARY FOR LIFE INSURANCE COMPANIES AND SUPPORT THE NIGERIAN GOVERNMENT'S POLICY OF ENCOURAGING NIGERIAN PROPERTY OWNERSHIP. A REVIEW OF THIS MORTGAGE TRANSACTION BOTH IN NIGERIA AND BY THE PARENT COMPANY INDICATES IT WAS A STANDARD TRANSACTION AND ONLY ONE OF A NUMBER OF SUCH MORTGAGE LOANS MADE BY THE COMPANY OVER THE YEARS. THE PROJECT WAS EVALUATED BY AN INDEPENDENT APPRAISER, THE AMOUNT OF THE LOAN WAS ONE-HALF THE PROPERTY VALUE, THE INTEREST RATE (10 ) AND THE REPAYMENT PERIOD WERE STANDARD.

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THE AMERICAN INTERNATIONAL INSURANCE COMPANY (NIGERIA) LTD. IS A SUBSIDIARY OF AMERICAN LIFE INSURANCE COMPANY OF WILMINGTON, DELAWARE WHICH IS A MEMBER COMPANY OF AMERICAN INTERNATIONAL GROUP. IT WAS ESTABLISHED UNDER ITS PRESENT NAME IN 1972 FOLLOWING NIGERIAN LEGAL REQUIREMENTS THAT FOREIGN COMPANIES ESTABLISH LOCAL CORPORATIONS. PREVIOUSLY, THE AMERICAN LIFE INSURANCE COMPANY HAD OPERATED A BRANCH IN NIGERIA SINCE 1964. THE AMERICAN INTERNATIONAL INSURANCE COMPANY IS THE LARGEST LIFE INSURANCE COMPANY IN NIGERIA AND ALSO CONDUCTS A MAJOR GENERAL INSURANCE OPERATION. IT HAS SOME 700 NIGERIAN EMPLOYEES AND AGENTS AND ELEVEN BRANCH OFFICES.

IN 1974 THE NIGERIAN GOVERNMENT ANNOUNCED ITS INTENTION TO PURCHASE 49 OF AIICO PURSUANT TO ITS INDIGENIZATION PROGRAM. THE COMPANY ENTERED INTO NEGOTIATIONS IN GOOD FAITH, BUT FOUND THE PRICE OFFERED BY THE NIGERIAN GOVERNMENT UNREALISTIC AND SUBSTANTIALLY BELOW THE VALUE OF THE SHARES. IN 1976 THE NIGERIAN GOVERNMENT "COMPULSORILY" ACQUIRED 49 OF AIICO, AT A PRICE BELOW 7 OF THE INDEPENDENTLY APPRAISED VALUE OF THE SHARES.

AN INDICATION OF THE INADEQUACY OF COMPENSATION IS THE FACT THAT THE DIVIDEND RECEIVED BY THE NIGERIAN GOVERNMENT IN THE SAME YEAR OF ACQUISITION OF ITS PERCENTAGE OF THE "COMPULSORILY" ACQUIRED SHARES EXCEED BY NEARLY ONE-THIRD THE TOTAL COMPENSATION PAID TO THE COMPANY FOR THE SHARES.

IN 1977 THE GOVERNMENT OF NIGERIA ANNOUNCED ITS INTENTION TO ACQUIRE AN ADDITIONAL 11 OF SHARES AND MADE A FORMAL OFFER TO AIICO. ON THE DAY OF THE RECEIPT OF THAT OFFER MR. LEFEVRE WAS FIRST ARRESTED. IN A SEPARATE ACTION THE NIGERIAN GOVERNMENT APPOINTED A NIGERIAN AUDITOR TO CONDUCT AN INVESTIGATION OF THE COMPANY OVER LIMITED OFFICIAL USE

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THE COMPANY'S PROTEST THAT AN INTERNATIONAL AUDITOR SHOULD BE UTILIZED. THE PRICE OFFERED FOR THE 11 IS ONLY marginally ABOVE THE PRIOR COMPULSORY ACQUISITION PRICE RECEIVED IN DECEMBER 1976. THE COMPANY HAS APPEALED THIS MATTER AND HAS REQUESTED FURTHER NEGOTIATIONS WITH SENIOR LEVELS OF THE NIGERIAN GOVERNMENT.

THE COMPANY IS HOPEFUL THAT GOOD FAITH NEGOTIATIONS CAN LEAD TO A RESOLUTION OF THESE ISSUES. END QUOTE. COOPER

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